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FISCAL IMPACT STATEMENT

LS 6089

BILL NUMBER: SB 16

NOTE PREPARED: Apr 9, 2009

BILL AMENDED: Apr 2, 2009

SUBJECT: Learner's Permits and Graduated Licenses.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR: Rep. Welch

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) raises the minimum age for the issuance of a learner's permit;
- (2) raises the minimum age for the issuance of a probationary operator's license;
- (3) sets requirements for practice driving before a probationary operator's license can be issued;
- (4) prohibits a driver under the age of 18 from operating a motor vehicle while using a telecommunications device except for a 911 emergency call;
- (5) revises the period during which certain passengers may not accompany a probationary driver;
- (6) revises the hours when nighttime driving is prohibited by certain probationary drivers;
- (7) specifies the periods of validity of an operator's learner permit;
- (8) requires the State Board of Education (SBOE) and the Criminal Justice Institute (CJI) to adopt rules specifying that the classroom portion of driver's education may not be provided to a child less than 15 years and 180 days of age;
- (9) makes the holder of a probationary license ineligible for pretrial diversion or deferral with respect to certain alleged offenses and infractions involving motor vehicles;
- (10) establishes the Interim Study Committee on Driver Education;
- (11) requires the Department of Education, with the approval of the Bureau of Motor Vehicles (BMV), to implement a pilot program providing Internet driver education instruction;
- (12) makes corresponding changes and conforming amendments; and
- (13) removes outdated language.

(The introduced version of this bill was prepared by the Interim Study Committee on Learner's Permits and Graduated Driver's Licenses.)

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: (8) Requiring the SBOE and the CJI to adopt rules will have no fiscal impact and will be accomplished through existing rule-making procedures. The funds affected are the state General Fund for the SBOE and the MVHA for the CJI.

(9) Making the holder of a probationary license ineligible for pretrial diversion or deferral will reduce the number of individuals in the program and have an indeterminable impact on the costs associated with the program. Denial of the pretrial diversion program likely will result in other penalties handed down to the offender, either probation, suspension, or incarceration.

(Revised) (10) The bill establishes the Interim Study Committee on Driver Education. Membership of the committee is not specified in the bill. The committee is to operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more.

The Committee is to study:

- (A) the administration of driver education by the BMV and the State Department of Education;
- (B) standards for an Internet component of driver instruction;
- (C) standards for a classroom component of driver instruction;
- (D) penalties for instructional providers that fail to follow the standards for instruction and driving experience; and
- (E) statistics for moving violations accrued by individuals less than 18 years of age who had:
 - (1) taken driver education with a classroom component of driver instruction;
 - (2) taken an Internet component of driver instruction; and
 - (3) no formal driver education.

Not later than November 1 in the years 2009 through 2014 the State Police Department shall make a written report to the Legislative Council and Governor concerning motor vehicle accidents and fatalities resulting from motor vehicle accidents in the preceding year involving operators of a motor vehicle who were at least 15 years and six months of age and less than 20 years of age. The report to the Legislative Council must be in an electronic format under IC 5-14-6. The fund affected is the state General Fund.

(Revised) (11) The bill also requires the Department of Education (DOE), with the approval of the BMV, to implement a pilot program providing 30 hours of Internet driver education instruction to be delivered by at least one Internet driver education provider during the 2009-2010 school year. Not later than November 1, 2010, the DOE is to make a report in electronic format to the Legislative Council concerning the results of the pilot program. For the DOE, there will be additional expenses to implement the pilot program. The one-time expenditure is estimated to range between \$15,000 and \$20,000 from the state General Fund for a contract for oversight of the pilot program.

Explanation of State Revenues: Summary: The increases in age for both the operator's license and the learner's permit will result in the shifting of revenue forward from FY 2011 to years thereafter. As a result, total revenues would be reduced by an estimated \$811,333 in FY 2011. The affected funds are described in the following table.

Fund	FY 2011 Revenue Reduction	Uses
MVHA Operator's license Learner's permit	\$7,3667 \$30,750	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the Department of State Revenue.
Crossroads 2000 Fund Operator's license Learner's permit	\$36,833 \$123,000	Bonding for highway projects.
Anti-Terrorism Fund Operator's license Learner's permit	\$23,021 \$76,878	Supporting the Integrated Public Safety Commission.
BMV Technology Fund Operator's license Learner's permit	\$9,208 \$30,750	Upgrading technology at the BMV.
State License Branch Fund Operator's license Learner's permit	\$115,104 \$292,125	Supporting the operation of the licenses branches throughout the state.
Total Reduction in Fees	\$811,333	

Background: This bill increases the age at which individuals become eligible for an operator's license in future years. The fee for a four-year operator's license is \$14. Annually, approximately 52,000 individuals, or about 4,333 monthly, obtain their operator's license when they are 16 years of age. Assuming that 85% of these 16-year-olds would otherwise obtain their operator's license shortly after becoming 16 years and 30 days, the five-month increase in eligibility age for operator's licenses will tend to shift these revenues forward. The increase in eligibility age would tend to shift license revenues forward by five months in FY 2011 and years thereafter. As a result, revenues would be reduced by an estimated \$257,833 in FY 2011.

This bill also increases the age at which individuals become eligible for a learner's permit. The increase in eligibility age would tend to shift learner's permit revenues forward by six months in FY 2011 and years thereafter. The fee for a learner's permit is \$9. Annually, approximately 123,000 individuals, or about 10,250 monthly, obtain their learner's permit when they are 15 years of age. The six-month increase in eligibility age for a learner's permit will tend to shift these revenues forward. As a result, revenues would be reduced by an estimated \$553,500 in FY 2011.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SBOE; BMV; CJI; Neil Ruddock, Legislative Liaison, Department of Education; 317-232-6671; Department of Transportation, State Police, and Department of State Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions.

Information Sources: BMV driver's license data for CY 2006 and CY 2007.

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